

Inquiry Into Impact of Renewable Energy Zones (REZ) on Rural and Regional Communities and Industries in New South Wales - Supplementary Questions

Community Consultation & Social Licence

- (1) You've described consultation processes as exclusionary and superficial. What specific changes would you recommend to make engagement with rural landholders genuine and enforceable?

To make consultation with rural landholders genuine and enforceable, several structural changes are necessary. The implementation of a transparent, compulsory developer rating scheme is essential. This scheme should periodically assess and publicly report on developer performance in community engagement, with ratings designed to eliminate 'bad operators' from the market. Participation should become a prerequisite for project approval to ensure that only developers with a strong track record of engagement are selected. Additionally, engagement must occur early in the planning process, particularly during transmission route selection and environmental assessments, to allow landholders meaningful input. Enforceable minimum standards for consultation should be established, requiring accurate, consistent information and evidence that community feedback has influenced project outcomes. Finally, long-term trust and acceptance can be supported through co-designed benefit-sharing arrangements that provide tangible social and economic benefits for affected communities. In many cases, benefits are being funnelled into larger urban centres such as Dubbo and not the small towns and individuals most impacted by development. Greater emphasis should be placed on fair benefit sharing.

- (2) How widespread is the breakdown in trust between rural communities and EnergyCo/Transgrid? Can you provide concrete examples or trends you're seeing?

There is a widespread breakdown in trust between rural communities and EnergyCo/Transgrid. Many landholders report feeling excluded from critical decision-making processes, particularly during the planning and approval phases of transmission infrastructure projects. Consultations are often perceived as superficial, with vague or contradictory information provided and little transparency about project impacts or decision criteria. A stark indicator of this distrust is that only 18% of landholders believe transmission projects provide benefits to them or their communities, according to the Energy Charter Better Practice Social Licence Guideline. An imbalance of power further aggravates the situation, developers and authorities are perceived to control the process while landholders input is either dismissed or not addressed. It is clear from farmer testimonies that the breakdown of trust between proponents and landholders has taken a huge emotional toll on communities. The current model fails to respect local values or provide genuine opportunities for influence. Research consistently shows that early, transparent and inclusive engagement is essential for achieving community support.

- (3) You've called current processes "tick-box exercises." Should the government be required to publish a verified "community impact and response register" for each project?

A "community impact and response register" would create a level of transparency that would help rebuild community trust by clearly demonstrating that landholder input is taken seriously and acted upon. It would also provide a mechanism for independent verification and oversight, potentially led by an ombudsman or the Australian Energy Infrastructure Commissioner.

Agricultural Viability & Land Fragmentation

- (4) How is REZ infrastructure (e.g., towers, substations, roads) interfering with farming operations like cropping, irrigation, livestock movement or biosecurity practices?

The construction and operation of REZ infrastructure is likely to reduce farm productivity and profitability by taking large areas of farmland out of production. Key impacts include the obstruction of irrigation systems, limiting effective water management and crop yields as well as restrictions of aerial spraying, which is often essential for pest and weed control over large areas. Infrastructure placements can disrupt livestock movement, fencing and pasture access, all of which are critical to efficient livestock operations. Biosecurity practices are also being compromised by the movement of contractors and equipment across properties, introducing risks of disease and weed spread. These disruptions not only hinder day-to-day operations but also impose long-term management burdens on landholders, whose agricultural activities are being increasingly constrained by infrastructure that offers them little direct benefit.

- (5) Should transmission and solar developers be required to demonstrate that land can remain agriculturally productive, through independent verification, before projects are approved?

NSW Farmers supports the principle that renewable energy developments located on Class 1, 2 and 3 agricultural land must maintain the land's agricultural productivity. This requirement applies whether the land continues to be used in the same form or transitions to a modified form of use, such as integrated agrisolar systems. Independent verification ensures transparency and accountability, protecting the long-term viability of Australia's prime agricultural land, which is critical for supporting local economies.

- (6) You raise concern about what happens after 20-year lease payments expire. What protections should be in place to prevent land being stranded, degraded or abandoned?

There is growing concern about what happens to renewable energy infrastructure once 20-year lease payments expire, particularly in the absence of sufficient decommissioning policies. Without legislated bonds, host landholders may be left responsible for removing infrastructure and rehabilitating the land, especially when private agreements fail to clearly assign liability. This risk is heightened in older agreements where decommissioning was not adequately addressed. Relying on private negotiation places an unfair burden on landholders, who often lack the resources, bargaining power, skills and experience to secure equitable terms. The introduction of legislated decommissioning bonds held by Australian financial institutions would mitigate decommissioning risks. These bonds must be comprehensive, covering all expected costs including infrastructure removal, site rehabilitation and waste disposal. Regulatory safeguards should be established to ensure that decommissioning responsibilities are fully met, protecting landholders and regional communities from inheriting unresolved liabilities.

The existing Private Agreement Guideline includes some recommendations around decommissioning procedures and financial securities, but these are not mandatory and do not provide adequate assurance. A clear precedent exists in the *Mining Act 1992*, which mandates security deposits for rehabilitation, regularly reviewed for adequacy.

Fire Risk & Insurance Liability

- (7) Do you believe EnergyCo and Transgrid have provided sufficient fire response protocols to local volunteer RFS brigades? What specific gaps have you seen?

Local volunteer fire brigades consistently report uncertainty when responding to fires near transmission lines. For example, the Victorian Country Fire Authority has explicitly advised firefighters to avoid direct fire attack in transmission easement areas and maintain a 25-metre safety distance. Transgrid states that

all transmission lines must be treated as live until on-site personnel confirm otherwise. These limitations severely hinder timely firefighting responses, delays that rural crews can ill afford during fast-moving fire events. Alarming, the NSW RFS currently provides no specific guidance to volunteers on how to respond to fires near high-voltage powerlines, leaving critical safety gaps for those most at risk.

The absence of locally relevant, operationally clear protocols is unacceptable, especially as the volume of transmission infrastructure increases. EnergyCo, Transgrid and other infrastructure proponents must work with the RFS and local Bushfire Management Committees to provide detailed, actionable and region-specific firefighting guidance. These measures must be embedded into regional Bush Fire Risk Management Plans to ensure the safety of rural volunteers and improve their confidence in responding effectively.

It has been raised that fighting electrical fires requires specialist training and equipment, which many rural RFS brigades do not possess. Considering regional bush fire brigades are dependent on volunteers, it is essential that they feel safe and supported by EnergyCo, Transgrid and developers in fighting fires around infrastructure, with the reports of losing volunteers if this is not managed effectively. In regional RFS committees, volunteerism highlights the divide between the 'have and have nots' in the energy transition. Those who do not participate in hosting renewables increasingly bear the burden of protecting their communities from potential risks, while those who host can afford to retire and leave these communities. Investing in RFS infrastructure can provide real benefits to the community.

- (8) Are you aware of any cases where landholders were warned not to fight fires near transmission lines or where firefighting response was delayed due to safety risks?

NSW Farmers has not been made aware of specific, documented cases where landholders were warned not to fight fires near transmission lines or where firefighting efforts were delayed due to safety risks. However, the absence of evidence should not be interpreted as the absence of risk. It is critical that this issue is addressed proactively before an event occurs.

- (9) Should the government establish a public indemnity scheme or industry fund to cover catastrophic fire damage linked to renewable infrastructure?

Landholders currently face significant exposure if fires originating on their land inadvertently damage nearby renewable infrastructure. With insurance coverage limits proving inadequate and few providers offering enhanced coverage options, additional protections are needed. NSW Farmers is open to further exploration of such a scheme and would support mechanisms that ensure rural landholders are not unfairly burdened with financial risk due to the presence of high-value infrastructure.

Decommissioning & Long-Term Legacy

- (10) You strongly support decommissioning bonds. What level of financial security would you consider adequate (e.g., per MW, per turbine)?

NSW Farmers strongly supports the introduction of legislated decommissioning bonds for all renewable energy projects to ensure landholders are not left with the financial burden of infrastructure removal and land rehabilitation. The Renewable Energy Planning Framework provides useful benchmarks for estimating decommissioning costs, with the Wind Energy Guideline indicating that decommissioning a wind turbine could cost approximately \$480,000 per unit. For solar developments, although the Solar Energy Guideline does not specify detailed figures, the decommissioning calculator example estimates around \$160,000 per megawatt (MW) for a 250 MW solar project, inclusive of material recovery. These estimates provide a reasonable baseline for setting minimum bond requirements. However, additional contingencies should be factored in to account for site-specific complexities and unforeseen circumstances.

(11) How should decommissioning liabilities be enforced if the developer is sold or becomes insolvent during the project lifecycle?

To ensure decommissioning liabilities are upheld in the event of insolvency or a change in project ownership, an enforceable system of financial security must be established from the outset. This should include mandatory decommissioning bonds held independently of the developer, ideally by an Australian financial institution. Regulatory authorities must verify that a fully funded bond, reflecting current and updated cost estimates, is in place before a project is approved. In the event of insolvency, these pre-secured funds must be automatically triggered and made readily accessible to the relevant regulatory body or landholder to cover the costs of infrastructure removal, site remediation and waste disposal.

(12) Would you support a central public register of all decommissioning bonds, accessible to landholders?

NSW Farmers supports any mechanism that enhances transparency in renewable energy development. A publicly accessible register would allow landholders, community members and regulators to verify that appropriate financial protections are in place for each project. It would also provide a clear picture of the scale and adequacy of these financial securities across the sector, helping to hold developers accountable and giving landholders greater peace of mind. NSW Farmers would be happy to explore this option further as part of a broader effort to strengthen regulatory oversight and ensure long-term protections for agricultural land and rural communities.

Tax, Succession and Compensation Impacts

(13) You've identified CGT and succession planning as concerns. Should the government be required to offer tailored tax advice or financial planning assistance to host landholders?

The tax implications of compensation payments for renewable energy infrastructure are highly complex and vary depending on the structure of the benefits. For many landholders, succession planning is already a sensitive and complex process and these added tax burdens create further uncertainty. Given the high degree of variability between individual farm operations, property sizes and ownership structures a government supported, property-specific tax and financial advice service would provide clarity and help landholders make informed decisions when entering into agreements with developers.

(14) Are your members aware of the tax risks linked to transmission easements and how well are those risks being disclosed by proponents?

Awareness of the tax risks linked to renewable energy infrastructure among landholders is variable. Tax legislation is complex and the implications of compensation arrangements are highly dependent on the individual circumstances of each property. For some landholders, particularly those with smaller operations or without access to specialised financial advice, the full tax consequences may not be immediately apparent.

Compounding the issue is the inconsistency with which proponents disclose these risks. Detailed or personalised disclosure of tax impacts are not a compulsory aspect of the negotiation process. As a result, many landholders are left to navigate this complexity on their own, which increases the risk of unexpected liabilities.

(15) Would you support a legislative requirement for all project EISs to include detailed modelling of potential tax and CGT implications?

NSW Farmers would support a legislative requirement for all EISs to include modelling of potential tax and CGT implications. Including tax modelling in EIS documents would provide greater transparency, enable better-informed decisions by host landholders and ensure that financial risks are considered.

Workforce, Housing & Service Impacts

- (16) In areas like Dunedoo and Mudgee, you note medical and housing services are already overstretched. What immediate obligations should developers have to avoid displacement of local residents?

In regions like Dunedoo and Mudgee, where social infrastructure is already stretched to its limits, developers must take immediate responsibility to avoid the displacement of local residents and the deterioration of essential services. Developers should be required to conduct and respond to detailed impact assessments that identify both immediate and cumulative effects on local services. Where strain is identified, developers must be obligated to implement mitigation measures before construction begins. This includes sourcing and funding temporary infrastructure such as mobile health clinics, securing additional medical staff and providing modular or off-site worker accommodation that does not compete with existing housing stock. In the long term, developers should contribute to permanent improvements in regional infrastructure, including investments in local hospitals, housing, emergency services and schools, ensuring that their projects leave a positive legacy rather than burdening rural communities.

- (17) Should worker accommodation and service impact studies be required before a project can even enter public exhibition?

Worker accommodation and service impact studies should be a mandatory requirement before any renewable energy project is allowed to enter public exhibition. These studies are crucial for determining the potential impact of a project on local housing, healthcare, education and other essential services. Without this information upfront, communities are unable to make informed submissions or fully understand the project's implications. Requiring these studies early in the planning process ensures transparency and enables developers to propose concrete mitigation measures, rather than leaving service strain as an afterthought. It also helps prevent displacement, resentment and community division caused by unplanned population surges and inadequate local infrastructure.

- (18) Do you believe REZ developers should be financially contributing to local council-run hospitals or clinics that are impacted?

REZ developers should be required to financially contribute to local council-run hospitals, clinics and other health services impacted by their projects. Developer contributions to local medical infrastructure represent a tangible and direct way to ensure that communities see real, lasting benefits from hosting renewable energy projects.

Roads, Transport & Supply Chains

- (19) How is the transport of large wind turbine components and other equipment affecting rural roads, stock routes and logistics for farming operations?

The transport of large wind turbine components and construction equipment is placing significant pressure on rural road networks, stock routes and farming operations within REZs. Many of these roads were not built to accommodate sustained heavy vehicle traffic, resulting in deterioration, increased safety risks and disruptions to essential rural activities such as livestock transport, farm deliveries and school bus services.

Of particular concern is the transportation of modern wind turbine components. With some sources suggesting that Newcastle Port is preparing to receive thousands of over-mass components measuring up to 100 meters in length, the logistical demands are very substantial. The combined weight of a single turbine and its components, including foundations, can exceed 1,500 tonnes. Moving this many components along narrow, unsealed or aging rural roads carries a high risk of structural damage and

necessitates major road upgrades. Additionally, logistical plans are frequently designed to align with the preferred timing of component dispatch at the Port, without considering the consequential timing enroute on farming operations and local communities as they proceed and eventually arrive at the REZ.

(20) Do you believe road upgrades are being planned early enough to avoid damaging fragile infrastructure or waterways?

Road upgrades associated with REZ transport corridors are not being planned early enough to avoid damage to rural infrastructure and environmental features such as natural waterways. Current hydrological impact studies often fail to accurately model the depth, velocity and duration of flows on floodplains being traversed. There is a lack of transparency regarding how these factors are measured, managed and accounted for in REZ planning. A reactive approach leads to rushed upgrades, increased community disruption and greater potential for environmental degradation. Early and strategic infrastructure planning must be agreed and integrated into the pre-approval process to prevent the unintended consequences of large-scale equipment transport from burdening rural communities.

(21) Would you support a “developer-pays” model for all road upgrades linked to REZ transport corridors?

In theory, NSW Farmers may support a “developer-pays” model for all road upgrades linked to REZ transport corridors. This approach would ensure that the financial burden does not fall on local councils or rural communities and it encourages developers to plan more responsibly and engage early with transport authorities. By requiring developers to fund road upgrades, governments can ensure that roads are properly designed and built to handle project-related traffic, as there is currently little confidence that this is the case.

Tourism, Amenity and Landscape Change

(22) What economic evidence or testimony have your members provided about the impact of REZ infrastructure on agri-tourism or eco-tourism?

NSW Farmers has received consistent feedback from members highlighting the negative impact of REZ infrastructure on agri-tourism and eco-tourism operations. In regions such as the Hunter REZ, landholders increasingly rely on tourism-related income as a means of economic diversification, particularly through farm stays, cellar doors and eco-retreats. However, the visual impact of wind turbines, large-scale solar farms and high-voltage transmission lines is a major concern. These developments can significantly alter the character of rural landscapes, reducing their appeal to visitors seeking scenic, tranquil and natural environments. The perception of rural industrialisation is particularly problematic in areas dependent on their natural and cultural landscapes as tourism drawcards.

(23) Should transmission route selection require a tourism and visual amenity impact assessment, similar to heritage or environmental assessments?

Tourism and visual amenity impact assessments should be a mandatory part of transmission route selection, just as heritage, environmental and cultural impacts are assessed. Currently, the effects of REZ infrastructure on rural tourism are largely being overlooked, despite its clear economic relevance to many regional communities. A formal assessment process would help ensure that tourism values are properly considered when infrastructure is routed through highly scenic or visitor-dependent areas. It would also provide a more balanced and transparent framework for weighing the benefits of development against the costs to the community and help prevent irreversible damage to rural tourism assets. Although this question refers to transmission routes, visual amenity impact assessments should be a crucial element in the planning approvals for renewable energy developments.

(24) Do you support compensation for agritourism businesses impacted by prolonged construction or loss of scenic value?

Compensation for agri-tourism businesses affected by prolonged construction activity or loss of scenic value should be a required condition for project approval. For many landholders, tourism is not just a supplementary income source, it is a vital part of their business model. Disruptions caused by construction noise, dust, access limitations and long-term changes to the landscape can significantly impact their ability to attract and retain visitors. Therefore, any loss of income resulting from REZ infrastructure should be acknowledged and fairly compensated over the full operational life of the project. Compensation models must extend beyond traditional land-use payments and reflect the broader economic impacts experienced by rural tourism enterprises.

(25) While some farmers have taken issue with renewables many others are benefiting from hosting renewables on their land – what specific policies could the government introduce to ensure that the renewables roll-out delivers win-win outcomes for farmers and regional communities?

To ensure the roll-out of renewables delivers win-win outcomes for both farmers and regional communities, the government should implement a suite of policies that prioritise fairness and long-term benefit sharing. Benefit-sharing mechanisms must be re-examined to ensure that those most affected by REZ infrastructure are directly compensated. The decrease in land values for farms adjacent to infrastructure must be thoroughly investigated and accounted for in payments by proponents and developers, which can help mitigate that loss of value in a tangible way by investing in farm infrastructure, among other measures.

Additionally, planning transmission routes should involve genuine early-stage, direct and personal consultation with landholders and local councils, allowing affected communities to influence project design. The government could also establish a centralised, independent entity to provide landholders with legal, financial and tax advice during the negotiation of agreements. All proponents of renewable energy should adhere to consistent, enforceable standards of engagement, transparency and long-term accountability, including the establishment of mandatory decommissioning bonds and community legacy investments.

To implement the above strategies, it is essential that the government create a strategy to understand, measure and account for cumulative impacts. We have observed a lack of clarity and a shifting of responsibility in this area among the government. It is impossible to plan for the future and have confidence when there is no understanding of what the impacts may be.